



**Statewide Small Business Council Meeting Minutes –  
Amended - March 26, 2010**

**Office of Business and Economic Opportunity  
1823 - 14<sup>th</sup> Street, Rm. 207  
Sacramento, CA**

**Statewide Council Members Present**

Borroel, Diana	RHCC
Calderon, Josie	MABPA
Camacho, Julian	HCA
Carrera, Angel	DGS
Chavez, Chris	HCA
Chen, Lynn	CACP
Cortez, Eli	CAL-SHPE (Alternate)
Guerrero, Paul	CAL-SBE
Gonzalez, Michael	OSBA (Alternate)
Hassoun, Sam	GLA
Hernandez, Richard	SHPE (Alternate)
Hou, Jonathan	ABA
Jackson, Jeffery	AIAI
James, John	NAMCSC (Alternate)
Johnson, Bernard	SDRMSDC
Jordan, Fred	SFAABCC
LaCome, Diana	NCA
Lau, Eddy	AAAE, SFO
Linn, Patricia Castillo	NLBWA-IE
Llewellyn, Rebecca	WCOE
Lowry, Patrick S.	DVBEA
Mammano, Vincent	FHWA
Matu, Cassy	SACHCC
Ortiz, Leonard	LBA (Alternate)
Patten, Ezekiel	BBA
Ramirez, Frank	CM (Alternate)
Stone, Aubrey	CBCC
Vargas, Jesus	SJCHCC
Yang, William	AAAE, So. CA
Yokota, Lance	FHWA

**Caltrans Staff Present**

Iwasaki, Randell	Director
McKim, Cindy	Chief Deputy Director
Fonseca, Olivia	Chair
Anbiah, Denix	Local Assistance
Bayer, Zoe	Project Management
Carlson, Michelle	DPAC
Chittenden, Ross	District 10
Effinger, Robert	Construction
Fackenthall, Bill	DPAC
Frank, Angela	OBEO
Gastinell, Sherri	OBEO
Kuhl, Kris	OE
Lee, Linda	OBEO
Padilla, Robert	OBEO
Rice, Lorna	District 11
Sartipi, Bijan	District 4
Sequeira, Alicia	District 10
Stone, Rich	OE
Whitmore, Liza	District 3

**Guests**

Garnett, Ron	SDRMSDC
Martin, Craig	CK Martin Group
Nelson, Ron	CSH Planning
Stevens, Gary	CSH Planning
Taylor, John	Worldwide Support Inc.

## Welcome/Introduction/Opening Remarks

Olivia Fonseca, Deputy Director, Office of Business and Economic Opportunity (OBEO), California Department of Transportation (Caltrans)/Statewide Small Business Council (SBC) Chair called the meeting to order at 8:30 a.m. Chair Fonseca welcomed Statewide Small Business (SB) Councilmembers, Caltrans staff, and guests; all were asked to introduce themselves.

Director Iwasaki announced he will be leaving Caltrans in April and will be joining Contra Costa Transportation Authority. He reported on the Legislative Analyst Office (LAO) report and hearing. The LAO report indicates Caltrans is overstaffed by 1,500 employees. A hearing was held on the subject. Director Iwasaki thanked Council members Guerrero, Camacho, and LaCome for attending the hearing and sharing their support to Caltrans. Director Iwasaki indicated he met with Congressman Oberstar, Chair of the Transportation Committee, and expressed that the next Stimulus II funding provide the ability to contact three Disadvantaged Business Enterprise (DBE) firms for a bid – this is known as an Informal Bid. Additionally, to authorize States to establish “At Risk Youth” program, this would place/hire at risk youth on a highway funded contract. This would allow California to hire youth from the California Conservation Corps onto a Caltrans highway funded contract. Congress is reauthorizing SAFETEA-LU – now titled: Hire Act. It calls for \$5.3 billion. Many folks have asked if Caltrans has a role with the new High Speed Rail project – Caltrans has very limited involvement in the High Speed Rail project. The involvement would be limited to providing some engineering services. Mayor Pringle, City of Anaheim, is Chair of the High Speed Rail Authority. There is legislation, Senate Bill (SB) 286, that proposes \$25 million for High Speed Rail on-the-job training. There were three design build projects approved, and they are in San Mateo, Madera, and Los Angeles. There are 10 upcoming design build projects that will be split between northern and southern California. Director Iwasaki recently signed a policy indicating State funded construction contracts under \$1 million will have a set 5 percent Disabled Veteran Business Enterprise (DVBE) goal and contracts over \$1 million will have a \$250,000 DVBE incentive.

Chief Deputy Director McKim announced the State of California Treasurer had an Infrastructure Bond sale, which brought in \$137 million for Caltrans projects.

Mr. Vincent Mammano, Chief Operating Officer, Federal Highway Administration (FHWA), gave an update on Butch Waidelich’s, Division Administrator (DA), health situation. Mr. Mammano reported that he will be the acting DA while Mr. Waidelich is out. There will be a rotational assignment for Mr. Mammano’s position. Mr. Don Davis from Mississippi will have the first rotation. Mr. Mammano also stated the meeting with the Federal Government Council is still being planned. Mr. Mammano indicated since the Council is very much interested in the future High Speed Rail projects, he will ask the Federal Rail Authority to attend a future Council meeting to present their role and responsibilities on California’s High Speed Rail projects. Councilmember LaCome presented a letter to Mr. Mammano requesting further discussion on the Councilmembers request for a definition of “contractor” – based on Mr. Lance Yokota’s response to the definition.

Chair Fonseca reported on several activities:

- The OBEO is preparing a Counting DBE Participation Guide – in particular how to count DBE participation on trucking services.
- The OBEO is preparing a DBE Business Outreach Plan. The Plan is intended to provide major contractors with guidance in performing outreach to DBEs in order to meet the goals. Caltrans is moving away from using the term “Good Faith Effort,” and instead directing contractors to conduct DBE outreach to meet the goal.

- Effective April 5, 2010, Caltrans will be considering the Underutilized DBE (UDBE) attainment of the three lowest bidders when the lowest bidder does not meet the goal.
- Chair Fonseca received an email informing her that effective April 15, 2010, the City of Los Angeles will cease certifying DBEs due to fiscal restraints. The OBEO will inherit almost 700 files from the City of Los Angeles. Currently, there are only 8 government agencies that certify DBEs; there used to be 21. Caltrans is looking at options to obtain FHWA approval to contract out certification determination services and/or obtain additional staff resources for the Certification Unit.
- Caltrans received notice, from FHWA–DC, that the annual DBE Goal and Methodology is now due every three years. The next goal and methodology is due in 2012 for Federal Fiscal Year 2013.
- The 2010 DBE Goal and Methodology document will be amended once again. The proposed goal is 8% Race-Neutral and 5.5% Race-Conscious for an overall goal of 13.5%. FHWA has asked Caltrans to elaborate on what consultation Caltrans has had throughout the year with DBE groups; reconsider the race-neutral and race-conscious goal split; and, publish the amended document in general circulation papers. Caltrans has published the availability of the amended goal and methodology and soliciting comments to the document in general and minority/women business trade circulations. Caltrans is requesting an extension of the current DBE Program waiver from the United States Department of Transportation. Council members indicated the 13.5% goal is too low, and the UDBE portion of the goal should include Hispanic male firms. Councilmember Camacho stated that the Hispanic Contractors Association, who he represents, has indicated that they are now underutilized and should be in the race-conscious goal. He indicated Caltrans needs to update the disparity study, and he requested a copy the DBE/UDBE construction utilization report and the 2009 Overall DBE attainment report. Councilmember Jordan commented Black businesses are severely underutilized, and there should be a specific goal for Black businesses. Council members asked if Caltrans can set-aside contracts for certain DBE groups. Chair Fonseca indicated the regulations do not encourage a set-aside or a quota program.
- Caltrans will propose to FHWA to approve a one DBE Program and goal for California, which will include all local agencies as sub recipients of FHWA funding. This means the local agencies will adopt Caltrans DBE Program Plan and goal.
- Chair Fonseca was honored to receive the Small Business Advocate of the Year from the Greater Los Angeles African American Chamber of Commerce. She was pleased to see many prime contractors in attendance.

Chief Deputy Director McKim announced that a series of activities have been targeted to assist small businesses with prompt payment. Caltrans has implemented a “no bond around” a stop notice. The no bonding around a stop notice was discussed with prime contractors. The Accounting Office has implemented the change. Another activity is encouraging prime contractors to have a Dispute Resolution process/clause in their subcontract agreements with the subcontractor.

Councilmember Gonzales announced the May 6, 2010, Governors Small Business conference in Oakland, CA. He also stated SB 1108; Senator Curren Price introduced legislation to establish an overall 25 percent small business goal. The Senate Committee hearing is April 13, 2010.

#### **Action Items:**

- Chair Fonseca to invite Anaheim Mayor Pringle to a future SBC meeting to discuss High Speed Rail.
- Mr. Mammano to invite the Federal Rail Authority to a future SBC meeting to discuss High Speed Rail.
- Councilmember Camacho would like to know the percentage of DBE certifications denied.
- Councilmember Camacho requested the Award Tracker report and the 2009 overall DBE utilization report.

- Council members requested a teleconference to discuss the definition of a contractor, bidder, offeror, and if a subcontractor must conduct efforts to meet the DBE goal on the contract.
- Councilmember Camacho requested the definition of UDBE be in the preamble of the DBE Business Outreach Business Plan.
- Councilmember Jordan requested Inspector General (American Recovery and Reinvestment Act Funds) Laura Chick be invited to a future SBC meeting.
- Chair Fonseca to provide the Council members with the Caltrans Accounting Division Web site that announces “no bond around” stop notices.

### **ITEM 1 – January 29, 2010, Meeting Minutes tabled to next meeting.**

### **ITEM 2 – Statewide Committee Reports**

The Committees met the night before and discussed the 2010 Action Items; refer to the Committee minutes for new action items and updates.

#### **Commodities – Councilmember Patten, Chair**

- Chair Fonseca explained Caltrans has changed the title of “Procurement Fairs” to “Small Business Exchange.”
- Councilmember Patten asked for clarification on if the \$250,000 small business set-aside applies to Architect and Engineering (A&E) contracts. Chair Fonseca indicated Assembly Bill 31, which provides for setting aside contracts under \$250,000 for small and DVBE participation, does not apply to A&E contracts.

#### **Construction – Councilmember LaCome, Chair**

- Councilmember Guerrero recommends Caltrans develop and post on Web site, a list of Arbitrators for contractors to handle Dispute Resolution claims.

#### **Local Assistance – Councilmember Camacho, Chair**

- Sherri Gastinell will provide the Local Assistance Look-Ahead contract opportunities Web site address to the SBC.
- Councilmembers suggest local agencies adopt a “no bond around” policy and the DBE Business Outreach Plan.

#### **Professional – Councilmember Lau, Chair**

- On April 15, 2010, the Asian American Chamber of Commerce will host a High Speed Rail outreach in San Francisco.

### **ITEM 3 – District Updates**

Due to time constraints the District Updates were tabled for the next meeting.

### **ITEM 4 – Office Engineer (OE) Web Site Update – Kris Kuhl, Chief, Office Engineer**

Kris Kuhl, Chief, Office of Contract Awards and Services, and Rich Stone, demonstrated how the OE Opt-In Web site works and pointed to enhanced features. A component on the Award Tracker data was also shown. Additionally, effective April 5, 2010, all plans and specification will be online only. For reasons of cost effectiveness, which includes printing, handling and shipping, the plans and specifications will all be electronic. Before the decision was made to go all electronic, Caltrans piloted the electronic version of the plans and specifications on six contracts. The contractors and subcontractors indicated they liked the new feature because

they could obtain the documents instantaneously and share multiple copies within the firm. There were no issues cited on the six electronic plans and specifications. The Plan rooms will also have the electronic plans and specifications. Councilmembers provided some concerns and asked that hardcopies of the plans and specifications still be available. For instance, small businesses may not have the equipment to view the plans and specifications online. Mr. Kuhl indicated that the documents are in pdf format – as long as the firm has the pdf software on their computer, the firm should not have a problem viewing the documents. The pdf software is free through the Adobe Acrobat Web site.

**Action Items:**

- OE will place UDBE commitment report on the OE Web site.
- Chair Fonseca will schedule a teleconference with members of the Construction Committee to continue discussion on concerns with electronic plans and specifications.
- Provide a list of Plan rooms to the SBC and post on OE Web site.
- Provide the criteria to be a Plan room.
- Provide hard copies of the plans and specifications to the District office in order for small businesses to access the hard copy.
- Provide clear instructions on the Web site on the new change. Also, include how to obtain the free pdf software.

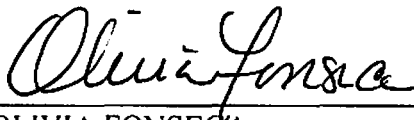
**ITEM 5 – Public Comment/Good of the Order**

Councilmember Jordan spoke about SB 1215. This bill would, at the election of Caltrans and until January 1, 2014, authorize Caltrans to establish prequalified lists of A&E service firms as needed.

Meeting adjourned: 12:10 p.m.

Next meeting: May 28, 2010  
Gateway Oaks Building  
Sacramento, CA

Approved by:



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OLIVIA FONSECA  
Deputy Director  
Office of Business and Economic Opportunity  
California Department of Transportation